

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2771 – SB 3662

February 22, 2012

SUMMARY OF BILL: Requires a person employed to perform electrical work for a licensed electrical contractor to be licensed for projects under a single contract, which equals or exceeds \$5,000. Creates a journeyman license and an apprentice electrician's license. Creates specifications for applicants. Requires applicants to pass an examination, for which a fee may be charged. Requires the Department of Commerce and Insurance (TDCI) to provide a pocket card license to all licensees. Requires TDCI to promulgate rules. Authorizes the Board for Licensing Contractors (Board) to issue citations to any person who lacks a journeyman or apprentice electrician's license and performs electrical work for a licensed contractor. Requires the Executive Director of the Board to mail renewal notices 90 days prior to expiration of the annual license.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$57,900/Recurring/Board for Licensing Contractors
Increase State Expenditures – \$5,000/One-Time/Board for Licensing Contractors
\$57,900/Recurring/Board for Licensing Contractors

Other Fiscal Impact – The one-time increase of \$5,000 will be covered by current fee revenue collected by the Board for Licensing Contractors. As of June 30, 2011, the Board had a balance of \$2,074,800.

Assumptions:

- The Board anticipates issuing approximately 5,000 journeyman and apprentice electrician licenses each year.
- The Board will hire an administrative assistant 1 for the new licensing programs. The recurring increase in state expenditures is \$56,312 (\$30,800 salary + \$10,512 benefits + \$15,000 administrative cost).
- For the administrative assistant position, the Board will incur costs for office supplies and communications, resulting in a recurring increase in expenditures of \$1,600 (\$600 office supplies + \$1,000 communications).
- The total recurring increase in state expenditures is \$57,912 (\$56,312 employee + \$1,600 supplies)
- The Board will purchase a computer and office furniture, resulting in a one-time increase in state expenditures of \$3,500 (\$1,500 computer + \$2,000 office furniture).

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- The Board will conduct a rulemaking hearing. The one-time increase in state expenditures is \$1,500 (\$1,000 transcripts + \$500 court reporter).
- The total one-time increase in state expenditures of \$5,000 (\$3,500 computer/furniture + \$1,500 rulemaking) will be absorbed utilizing current resources.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Board had closing balances of \$2,074,844 in FY10-11 and \$1,581,060 in FY09-10.
- Based upon information provided by TDCI, the Board will set license fees at an amount that will generate enough revenue to offset expenditures. The recurring increase in state revenues is approximately \$57,912.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', is positioned above the printed name.

Lucian D. Geise, Executive Director

/sbh